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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

KENNETH LIPTON,

Plaintiff,

v.

**PIONEER CREDIT
RECOVERY, INC.**

Defendant.

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Case No.:

**COMPLAINT FOR DAMAGES AND
INJUNCTIVE RELIEF FOR
VIOLATION OF:**

**(1) THE FAIR DEBT COLLECTION
PRACTICES ACT 15 U.S.C.
§ 1692, ET SEQ.; AND,**

**(2) THE ROSENTHAL FAIR DEBT
COLLECTION PRACTICES
ACT, CAL. CIV. CODE § 1788,
ET SEQ.**

JURY TRIAL DEMANDED

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INTRODUCTION

1. The United States Congress has found abundant evidence of the use of abusive, deceptive, and unfair debt collection practices by many debt collectors, and has determined that abusive debt collection practices contribute to the number of personal bankruptcies, to marital instability, to the loss of jobs, and to invasions of individual privacy. Congress wrote the Fair Debt Collection Practices Act, 15 U.S.C. § 1692 et seq, to eliminate abusive debt collection practices by debt collectors, to insure that those debt collectors who refrain from using abusive debt collection practices are not competitively disadvantaged, and to promote consistent State action to protect consumers against debt collection abuses.
2. The California legislature has determined that the banking and credit system and grantors of credit to consumers are dependent upon the collection of just and owing debts and that unfair or deceptive collection practices undermine the public confidence that is essential to the continued functioning of the banking and credit system and sound extensions of credit to consumers. The Legislature has further determined that there is a need to ensure that debt collectors exercise this responsibility with fairness, honesty, and due regard for the debtor's rights and that debt collectors must be prohibited from engaging in unfair or deceptive acts or practices.¹
3. The California legislature has also found that the collection of debt purchased by debt buyers has become a significant focus of public concern due to the adequacy of documentation required to be maintained by the industry in support of collection activities and litigation. In that regard, setting specific documentation and process standards will protect consumers, provide needed clarity to courts, and establish clearer criteria for debt buyers and the

¹ Cal. Civ. Code §§ 1788.1 (a)-(b)

collection industry.

4. Plaintiff KENNETH LIPTON, through Plaintiff's attorneys, brings this action to challenge the actions of PIONEER CREDIT RECOVERY, INC. ("Defendant") with regard to attempts by Defendant to unlawfully and abusively collect a debt allegedly owed by Plaintiff, and this conduct caused Plaintiff damages.

5. Plaintiff makes these allegations on information and belief, with the exception of those allegations that pertain to Plaintiff, or to Plaintiff's counsel, which Plaintiff alleges on personal knowledge.

6. While many violations are described below with specificity, this Complaint alleges violations of the statute cited in its entirety.

7. Unless otherwise stated, all the conduct engaged in by Defendant took place in California.

8. Any violations by Defendant were knowing, willful, and intentional, and Defendant did not maintain procedures reasonably adapted to avoid any such violation.

9. Unless otherwise indicated, the use of Defendant's name in this Complaint includes all agents, employees, officers, members, directors, heirs, successors, assigns, principals, trustees, sureties, subrogees, representatives, and insurers of Defendant.

JURISDICTION AND VENUE

10. Jurisdiction of this Court arises under federal question, pursuant to 28 U.S.C. § 1331 and 15 U.S.C. § 1692(k).

11. This action arises out of Defendant's violations of the Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692-1692(p) ("FDCPA") and the Rosenthal Fair Debt Collection Practices Act, California Civil Code §§ 1788-1788.32 ("RFDCPA").

12. Because Defendant conducts business within the State of California, personal

jurisdiction is established.

13. Venue is proper in the United States District Court, Central District of California pursuant to 28 U.S.C. § 1391 for the following reasons: (i) Plaintiff resides in the County of Los Angeles, State of California which is within this judicial district; (ii) the conduct complained of herein occurred within this judicial district; and, (iii) Defendant conducted business within this judicial district at all times relevant.

PARTIES

14. Plaintiff is a natural person who resides in the City of Van Nuys, County of Los Angeles, State of California, from whom a debt collector sought to collect a consumer debt which was due and owing or alleged to be due and owing from Plaintiff, and is a “debtor” as that term is defined by California Civil Code § 1788.2(h). In addition, Plaintiff is a natural person allegedly obligated to pay a debt, and is a “consumer”, as that term is defined by 15 U.S.C. § 1692a(3).

15. Defendant is a corporation incorporated in the State of Delaware with a principal place of business located at 26 Edward Street, Arcade, New York, 14009. Defendant in the ordinary course of business, regularly, on behalf of itself or others, engages in debt collection as that term is defined by California Civil Code § 1788.2(b), and is therefore a “debt collector” as that term is defined by California Civil Code § 1788.2(c).

16. Defendant is also a “person” who uses an instrumentality of interstate commerce or the mails in a business the principal purpose of which is the collection of debts, or who regularly collects or attempts to collect, directly or indirectly, debts owed or due or asserted to be owed or due another and is therefore a “debt collector” as that phrase is defined by 15 U.S.C. § 1692a(6).

17. This case involves money, property or their equivalent, due or owing or alleged to be due or owing from a natural person by reason of a consumer

1 credit transaction. As such, this action arises out of a “consumer debt” and
 2 “consumer credit” as those terms are defined by Cal. Civ. Code § 1788.2(f)
 3 and a “debt” as that term is defined by 15 U.S.C. 1692a(5).

4 **FACTUAL ALLEGATIONS**

5 18. At all times relevant, Plaintiff is an individual residing within the City of Van
 6 Nuys, County of Los Angeles, in the State of California.

7 19. At all times relevant, Defendant conducted business in the State of California.

8 20. Sometime before March 2015, Plaintiff allegedly incurred certain financial
 9 obligations through a loan issued and/or serviced by the original creditor,
 10 Navient, Inc.

11 21. These alleged financial obligations were primarily for personal, family or
 12 household purposes and are therefore a “debt” as that term is defined by 15
 13 U.S.C. §1692a(5).

14 22. These alleged financial obligations were money, property, or their equivalent,
 15 which is due or owing, or alleged to be due or owing, from a natural person to
 16 another person and are therefore a “debt” as that term is defined by California
 17 Civil Code §1788.2(d), and a “consumer debt” as that term is defined by
 18 California Civil Code §1788.2(f).

19 23. Sometime thereafter, Plaintiff allegedly fell behind in the payments allegedly
 20 owed on the alleged debt. As it is irrelevant to this action, Plaintiff currently
 21 takes no position as to the validity of this alleged debt or whether his alleged
 22 debt was actually owed.

23 24. Afterwards, the alleged debt was allegedly assigned, placed, or otherwise
 24 transferred, to Defendant for collection.

25 25. On or about March 16, 2015, in attempt to collect on the alleged debt,
 26 Defendant sent Plaintiff a letter informing Plaintiff that the alleged debt had
 27 been referred to Defendant for collection. This written correspondence
 28 constitutes a “communication” as that term is defined by 15 U.S.C.

§ 1692a(2), an “initial communication” consistent with 15 U.S.C. § 1692g(a), and a “debt collection” as that phrase is defined by 15 U.S.C. § 1692a(6).

26. After receiving the above letter, Plaintiff contacted Defendant to inquire regarding the alleged debt.

27. Thereafter, Defendant proceeded to repeatedly contact numerous third parties who are unrelated to Plaintiff or the alleged debt, in attempt to collect upon the alleged debt. As Defendant knew Plaintiff’s address and location information, there was no legal justification for Defendant to contact these third parties.

28. Through this conduct, Defendant has violated 15 U.S.C § 1692b(3), which is incorporated into the RFDCPA through Cal. Civ. Code § 1788.17, by contacting and communicating with third parties other than the debtor on more than one occasion. Consequently, Defendant has also violated Cal. Civ. Code § 1788.17.

29. Through this conduct, Defendant has violated 15 U.S.C § 1692d, which is incorporated into the RFDCPA through Cal. Civ. Code § 1788.17, by engaging in conduct, the natural consequence of which was to harass, oppress or abuse Plaintiff. Consequently, Defendant has also violated Cal. Civ. Code § 1788.17.

30. Through this conduct, Defendant has violated 15 U.S.C. § 1692f by engaging in unfair or unconscionable means to collect or attempt to collect the alleged debt. This section is incorporated into the RFDCPA through Cal. Civ. Code § 1788.17. Thus, Defendant has also violated Cal. Civ. Code § 1788.17.

31. As a result of Defendant’s unfair, oppressive, and abusive conduct in connection with their debt collection activity, Plaintiff has suffered emotional distress by way of stress, frustration, anxiety, humiliation, embarrassment, anger, annoyance, and lost time and incurred expense as a result of

Defendant's above-mentioned conduct in violation of the FDCPA, 15 U.S.C. §§ 1692-1692(p) and the RFDCPA, California Civil Code §§ 1788-1788.32.

CAUSES OF ACTION

COUNT I

VIOLATION OF THE FAIR DEBT COLLECTION PRACTICES ACT

15 U.S.C. §§ 1692-1692(p) (FDCPA)

32. Plaintiff incorporates by reference all of the above paragraphs of this Complaint as though fully stated herein.

33. The foregoing acts and omissions constitute numerous and multiple violations of the FDCPA.

34. As a result of each and every violation of the FDCPA, Plaintiff is entitled to any actual damages pursuant to 15 U.S.C. § 1692k(a)(1); statutory damages for a knowing or willful violation in the amount up to \$1,000.00 pursuant to 15 U.S.C. § 1692k(a)(2)(A); and reasonable attorney's fees and costs pursuant to 15 U.S.C. § 1692k(a)(3) from Defendant.

COUNT II

VIOLATION OF THE ROSENTHAL FAIR DEBT COLLECTION PRACTICES ACT

Cal. Civ. Code §§ 1788-1788.32 (RFDCPA)

35. Plaintiff incorporates by reference all of the above paragraphs of this Complaint as though fully stated herein.

36. The foregoing acts and omissions constitute numerous and multiple violations of the RFDCPA.

37. As a result of each and every violation of the RFDCPA, Plaintiff is entitled to any actual damages pursuant to Cal. Civ. Code § 1788.30(a); statutory damages for a knowing or willful violation in the amount up to \$1,000.00 pursuant to Cal. Civ. Code § 1788.30(b); and reasonable attorneys fees and costs pursuant to Cal. Civ. Code § 1788.30(c) from Defendant.

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PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays that judgment be entered against Defendant for:

- an award of actual damages, in an amount to be determined at trial, pursuant to Cal. Civ. Code § 1788.30(a);
- an award of actual damages, in an amount to be determined at trial, pursuant to 15 U.S.C. § 1692k(a)(1);
- an award of statutory damages of \$1,000.00, pursuant to Cal. Civ. Code § 1788.30(b);
- an award of statutory damages of \$1,000.00, pursuant to 15 U.S.C. § 1692k(a)(2)(A);
- an award of costs of litigation and reasonable attorney's fees, pursuant to Cal. Civ. Code § 1788.30(c);
- an award of costs of litigation and reasonable attorney's fees, pursuant to 15 U.S.C. § 1692k(a)(3);
- any and all other relief that this Court deems just and proper.

TRIAL BY JURY

38. Pursuant to the seventh amendment to the Constitution of the United States of America, Plaintiff is entitled to, and demands, a trial by jury.

Dated: September 30, 2015

KAZEROUNI LAW GROUP, APC

BY: /s/ ABBAS KAZEROUNIAN

ABBAS KAZEROUNIAN, ESQ.
MONA AMINI, ESQ.
ATTORNEYS FOR PLAINTIFF